

CITY OF PAOLA
Paola, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2017

CITY OF PAOLA, KANSAS

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Paola, Kansas
Paola, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Paola, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Paola, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Paola, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Paola, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we have rendered an unmodified opinion dated May 17, 2018. The 2016 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
May 17, 2018

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2017**

	Beginning Unencumbered Cash Balances	Receipts
General Fund	\$ 616,012	\$ 4,030,972
Special Purpose Funds		
Library	43,676	284,203
Employee Benefit	636,829	1,199,497
Family Aquatics Center	193,259	176,064
Community Center	47,477	113,143
Storm Water Management	79,100	84,296
Special Park and Recreation	49,084	15,993
Street Repair/Special Highway	58,906	148,309
Special Law Enforcement Account	21,220	120
Transient Guest Tax	79,901	35,971
Family Aquatics Center Equipment Reserve	602,153	3,239
Escrow Proceeds	3,800	9,838
Mennenoah Cemetery	20,897	23,985
Special Grants Fund	18,545	65,633
Drug Enforcement Account	1,863	3,000
	<u>1,856,710</u>	<u>2,160,291</u>
Debt Service Funds		
Bond and Interest	<u>187,045</u>	<u>1,964,288</u>
Capital Projects Funds		
Waste Water Treatment Plant Construction	780,417	4,568
Equipment Replacement	86,042	89,530
Capital Projects Fund	<u>753,993</u>	<u>1,502,100</u>
	<u>1,620,452</u>	<u>1,596,198</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 3,952,470	\$ 694,513	\$ 185,692	\$ 880,205
284,814	43,065	10,135	53,200
1,078,115	758,211	3,219	761,430
267,843	101,480	3,996	105,476
114,484	46,136	4,822	50,958
64,707	98,689	609	99,298
2,834	62,243	0	62,243
153,289	53,926	346	54,272
14,696	6,644	0	6,644
40,570	75,302	0	75,302
100,000	505,392	0	505,392
0	13,638	0	13,638
1,599	43,283	1,599	44,882
54,693	29,485	4,791	34,276
3,350	1,513	0	1,513
<u>2,177,644</u>	<u>1,837,494</u>	<u>29,517</u>	<u>1,868,524</u>
<u>1,738,283</u>	<u>413,050</u>	<u>0</u>	<u>413,050</u>
17,550	767,435	0	767,435
45,425	130,147	931	131,078
<u>1,379,163</u>	<u>876,930</u>	<u>13,125</u>	<u>890,055</u>
<u>1,442,138</u>	<u>1,774,512</u>	<u>14,056</u>	<u>1,788,568</u>

The accompanying notes are an integral part of this statement.

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2017**

	<u>Beginning Unencumbered Cash Balances</u>	<u>Receipts</u>
Business Funds		
Water Utility		
Operating	\$ 232,447	\$ 1,963,233
Water Treatment Plant	270,529	1,594
Sewer Service		
Operating	350,018	754,900
Sewer Line Replacement	183,323	8,097
Wastewater Treatment Plant	331,964	497,068
Health and Sanitation	<u>36,287</u>	<u>357,529</u>
	<u>1,404,568</u>	<u>3,582,421</u>
	\$ <u><u>5,684,787</u></u>	\$ <u><u>13,334,170</u></u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 1,982,469	\$ 213,211	\$ 19,862	\$ 233,073
0	272,123	0	272,123
821,657	283,261	25,135	308,396
0	191,420	0	191,420
577,441	251,591	6,813	258,404
364,173	29,643	28,447	58,090
<u>3,745,740</u>	<u>1,241,249</u>	<u>80,257</u>	<u>1,321,506</u>
\$ <u>13,056,275</u>	\$ <u>5,960,818</u>	\$ <u>309,522</u>	\$ <u>6,271,853</u>

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash \$ 2,021,365

Certificates of deposit 4,250,000

Payroll withholding 6,672

Police bond 11,686

Police account 488

Total cash 6,290,211

Agency Funds Per Schedule 3 (18,358)

Total cash (excluding agency funds) \$ 6,271,853

The accompanying notes are an integral part of this statement.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Paola is a municipal corporation governed by a mayor/council/manager form of government. These financial statements present the government and its related municipal entities, entities for which the government is considered to be financially accountable.

Related Municipal Entities

The Paola Free Library is governed by a board appointed by the City Council. The Library's budget and its expenditures and contractual arrangements, are approved by the City council. The Library has been included in the accompanying financial statements as a special purpose fund of the primary government.

Other Entities

The Paola Housing Authority has been omitted from the accompanying financial statements. The Paola Housing Authority Board is appointed by the City Council and oversees the operations of the Paola Housing Authority. The financial statements of the Paola Housing Authority are audited annually as of the Paola Housing Authority's fiscal year end (March 31). Those financial statements are issued separately and may be obtained from the Paola Housing Authority.

The City entered into a joint venture with the City of Louisburg for the purpose of developing a public utility to treat and disburse water to the two cities. The water treatment plant has been completed and is in operation. Both Cities provide labor, supplies and administrative costs to the operation for which both are reimbursed. Those financial statements are issued separately and may be obtained at City Hall.

The Public Building Commission activity is included in these financial records as part of the City's activity. There is no separate accounting by the Public Building Commission of its activity.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE B. REGULATORY BASIS FUND TYPES - continued

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any funds of this type.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, City tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Paola, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE D. BUDGETARY INFORMATION - continued

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds and capital project funds:

Special Law Enforcement	Drug Enforcement Account
Family Aquatics Center Equipment	Wastewater Treatment Plant Construction
Escrow Fund	Equipment Replacement
Mennenoah Cemetery	Capital Projects
Special Grants	

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2017.

At December 31, 2017, the carrying amount of the City's bank deposits was \$6,271,853 (which includes petty cash funds) and the bank balance was \$6,406,432. The bank balance was held by two banks resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$5,906,432 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE E. CASH AND INVESTMENTS – continued

possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
General obligation bonds:				
Series 2006 B	3.65-5.0	11/15/06	325,000	09/01/17
Refunding Series 2012	2.00-3.20	09/01/12	7,525,000	09/01/31
Refunding Series 2014	2.00-3.00	10/06/14	2,485,000	09/01/25
Public Building Commission				
Series 2008	3.25-4.25	09/25/08	3,660,000	05/01/21
Series 2012	2.00-2.125	11/01/12	2,055,000	11/01/21
Refunding Series 2016	2.0-3.0	01/12/16	2,185,000	11/01/26

Capital leases:

Vac-Con Truck	2.85	12/22/16	185,000	12/22/19
Fire Truck	2.25	04/28/15	750,000	4/28/29
Fire Heavy Rescue Vehicle	4.68	07/11/07	231,500	07/11/17
Ford Explorer Police Cars	3.08	01/05/17	56,500	1/5/20

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
Series 2006 B	\$ 40,000	\$ 0	\$ 40,000	\$ (40,000)	\$ 0	\$ 1,540
Refunding Series 2012	5,535,000	0	270,000	(270,000)	5,265,000	156,057
Refunding Series 2014	2,430,000	0	285,000	(285,000)	2,145,000	67,550
Public Building Commission						
Series 2008	1,020,000	0	380,000	(380,000)	640,000	36,035
Series 2012	1,105,000	0	215,000	(215,000)	890,000	22,388
Refunding Series 2016	1,980,000	0	210,000	(210,000)	1,770,000	54,713
Total bonds	<u>\$ 12,110,000</u>	<u>\$ 0</u>	<u>\$ 1,400,000</u>	<u>\$ (1,400,000)</u>	<u>\$ 10,710,000</u>	<u>\$ 338,283</u>

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital leases:						
Fire Heavy Rescue Vehicle	\$ 28,203	\$ 0	\$ 28,203	\$ (28,203)	\$ 0	\$ 1,320
Fire Truck	658,624	0	44,178	(44,178)	614,446	14,819
Vac-Con Truck	185,000	0	61,746	(61,746)	123,254	2,528
Ford Explorer Police Cars	0	56,500	0	56,500	56,500	0
Total for leases	<u>871,827</u>	<u>56,500</u>	<u>134,127</u>	<u>(77,627)</u>	<u>794,200</u>	<u>18,667</u>
Total for all debt	<u>\$ 12,981,827</u>	<u>\$ 56,500</u>	<u>\$ 1,534,127</u>	<u>\$ (1,477,627)</u>	<u>\$ 11,504,200</u>	<u>\$ 356,950</u>

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE F. LONG-TERM DEBT – continued

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year				
	2018	2019	2020	2021	2022
Principal:					
Bonds	\$ 1,360,000	\$ 1,130,000	\$ 1,145,000	\$ 1,175,000	\$ 790,000
Capital Leases	105,934	108,682	47,228	48,291	49,377
	<u>1,465,934</u>	<u>1,238,682</u>	<u>1,192,228</u>	<u>1,223,291</u>	<u>839,377</u>
Interest:					
Bonds	300,067	266,761	235,545	203,946	172,295
Capital Leases	17,338	14,590	11,769	10,707	9,620
	<u>317,405</u>	<u>281,351</u>	<u>247,314</u>	<u>214,653</u>	<u>181,915</u>
Total Principal & Interest	<u>\$ 1,783,339</u>	<u>\$ 1,520,033</u>	<u>\$ 1,439,542</u>	<u>\$ 1,437,944</u>	<u>\$ 1,021,292</u>

	Year		
	2023-2027	2028-2032	Total
Principal:			
Bonds	\$ 3,270,000	\$ 1,840,000	\$ 10,710,000
Capital Leases	264,060	114,129	737,701
	<u>3,534,060</u>	<u>1,954,129</u>	<u>11,447,701</u>
Interest:			
Bonds	551,438	147,740	1,877,792
Capital Leases	30,928	3,866	98,818
	<u>582,366</u>	<u>151,606</u>	<u>1,976,610</u>
Total Principal & Interest	<u>\$ 4,116,426</u>	<u>\$ 2,105,735</u>	<u>\$ 13,424,311</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2017, the statutory limit for the City was \$14,066,474 providing a debt margin of \$6,656,474 after removing debt exempt from the limitation.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From:</u>	<u>To:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Community Center	12-1118	\$ 83,000
General	Employee Benefit	12-1118	375,800
General	Capital Projects	12-1118	31,000
General	MERF	12-1118	30,000
Library	Employee Benefit	12-1118	50,000
Family Aquatics Center	Employee Benefit	12-1118	46,500
Family Aquatics Center	Equipment Replacement	12-1118	26,671
Community Center	Employee Benefit	12-1118	13,000
Storm Water Management	Employee Benefit	12-1118	11,000
Storm Water Management	Bond and Interest	12-825d	16,000
Street Repair	Employee Benefit	12-1118	3,000
Family Aquatics Center Equipmen	Family Aquatics Center	12-1118	100,000
Capital Projects	Bond and Interest	12-1118	920,935
Water Utility	Employee Benefit	12-1118	116,000
Water Utility	Bond and Interest	12-825d	50,000
Sewer Service	Employee Benefit	12-1118	161,000
Sewer Service	Capital Projects	12-1118	15,000
Sewer Service	Sewer Line Replacement	12-1118	7,000
Waste Water Treatment Plant	Bond and Interest	12-825d	426,057
Waste Water Treatment Plant	Employee Benefit	12-1118	25,000
Health & Sanitation	Employee Benefit	12-1118	10,000
			<u>\$ 2,516,963</u>

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits:

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the City working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

Compensated Absences:

Vacation Pay - Full-time employees are entitled to paid vacation leave time according to one of the following schedules:

- (a) Full-time employees hired prior to January 1, 1992:

The employee shall be credited with ninety-six (96) hours for each year for up to ten (10) years. Employees with more than ten (10) years of service shall be entitled to eight (8) additional hours for each year of service longer than ten (10) years.

Full-time employees hired after January 1, 1992:

Years of Continuous Employment:	0 to 5	5 to 10	10 to 15	over 15
Hours earned per bi-weekly pay period:	3.6923	4.6153	5.5384	6.4615

- (b) New employees shall be awarded vacation time beginning on the first day of the month following (30) days of employment.
- (c) Employees may accumulate vacation leave time up to the maximum of two hundred (200) hours. An employee shall not earn additional vacation leave during any time period that the employee maintains the two hundred (200) hours maximum accumulation.
- (d) Off-duty employees on a leave of absence without pay for more than seven (7) working days in any one (1) calendar month shall not be eligible for earning vacation time during such month.
- (e) Vacation schedules are established by the Department Heads. Vacation time shall be reported as prescribed by the Human Resources Director and shall be taken as follows:

Employees who work 8 hour days	Increments of four (4) hours
Employees who work 10 hour days	Increments of five (5) hours

- (f) Bonus personal time shall be rewarded to employees not using sick leave as prescribed by the following schedule:

Hours of Sick Leave Used	Personal Hours Awarded
0 – 3	24
4 – 8	16
9 – 16	8
17 or more	0

To qualify for bonus personal time, employees must have been employed by the City for the entire calendar year. Bonus personal time is awarded in the first pay period of the calendar year and must be used prior to the end of the calendar year that it is awarded or it shall be cancelled without any payment due to the employee. Bonus personal time may be taken in 1 hour increments.

- (g) Employees shall receive payment for unused vacation time upon voluntary or involuntary termination of employment. As of December 31, 2017, the unused vacation time represented a potential liability to the City in the amount of \$150,650.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

Compensated Absences: - continued

Sick Pay - Full-time employees may accumulate up to 180 days of sick leave. Twenty-five percent (25%) of unused sick leave will be paid upon termination of employment if in good standing. At December 31, 2017 City employees had accumulated 23,822 sick leave hours, representing a potential liability to the City of \$135,441 if paid upon termination. There is no accrual for vacation or sick leave in these financial statements. The City budgeted \$100,000 for expense in 2017 relating to this liability.

NOTE I. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefits pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and require supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Ks. 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009, KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rates a 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes KP&F (Kansas Police and Fire) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the internal revenue code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$151,994 for KPERS and \$164,100 for KP&F for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017 the City's proportionate share of the collective net pension liability reported to KPERS was \$1,407,508 and \$1,561,215 for KP&F. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City's proportion of the net pension liability was based on the ration of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Management is not aware of any violations of Kansas Statutes.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Reimbursements: The City of Paola records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenues to the fund receiving the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement.

Special assessments: Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

NOTE L. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through May 17, 2018, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Paola, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended December 31, 2017

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Fund	\$ 4,542,813	\$ 0	\$ 4,542,813	\$ 3,952,470	\$ (590,343)
Special Purpose Funds					
Library	319,447	0	319,447	284,814	(34,633)
Employee Benefit	1,723,893	0	1,723,893	1,078,115	(645,778)
Family Aquatics Center	366,723	0	366,723	267,843	(98,880)
Community Center	165,937	0	165,937	114,484	(51,453)
Storm Water Management	162,189	0	162,189	64,707	(97,482)
Special Park and Recreation	59,535	0	59,535	2,834	(56,701)
Street Repair/Special Highway	200,227	0	200,227	153,289	(46,938)
Transient Guest Tax	105,725	0	105,725	40,570	(65,155)
Debt Service Funds					
Bond and Interest	1,987,126	0	1,987,126	1,738,283	(248,843)
Business Funds					
Water Utility					
Operating	2,458,045	0	2,458,045	1,982,469	(475,576)
Water Treatment Plant	271,450	0	271,450	0	(271,450)
Sewer Service					
Operating	1,119,896	0	1,119,896	821,657	(298,239)
Sewer Line Replacement	190,857	0	190,857	0	(190,857)
Wastewater Treatment Plant	779,880	0	779,880	577,441	(202,439)
Health and Sanitation					
Operating	406,589	0	406,589	364,173	(42,416)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017			
	2016				Variance
	Actual	Actual	Budget		Over
Cash receipts					(Under)
Taxes					
Ad valorem property tax	\$ 1,133,882	\$ 1,239,249	\$ 1,208,025	\$	31,224
Back tax collections	31,879	12,922	17,500		(4,578)
Motor vehicle tax	137,666	138,663	132,548		6,115
City sales tax	766,037	806,126	745,000		61,126
County sales tax	537,207	554,559	540,000		14,559
Sales tax	2,901	1,555	2,000		(445)
In lieu of taxes	24,485	27,399	25,000		2,399
Total taxes	2,634,057	2,780,473	2,670,073		110,400
Intergovernmental					
Liquor	14,253	15,672	15,000		672
Community fisheries program	6,489	6,489	6,400		89
Total intergovernmental	20,742	22,161	21,400		761
Licenses, fees and permits					
Franchise tax	456,897	457,795	470,000		(12,205)
Pet licenses	1,083	1,402	700		702
General licenses	33,325	34,425	30,000		4,425
Lake permits	35,906	41,621	37,000		4,621
Zoning/planning	1,625	2,249	1,500		749
Building permits	77,080	102,728	60,000		42,728
Total licenses, fees & permits	605,916	640,220	599,200		41,020
Charges for services					
Rural fire	70,680	78,429	74,000		4,429
Fines, forfeitures, penalties					
Fines and fees	184,292	221,217	250,000		(28,783)
Court costs	47,520	54,960	80,000		(25,040)
Total fines, forfeitures, penalties	231,812	276,177	330,000		(53,823)
Use of money and property					
Rentals	45,314	50,922	44,700		6,222
Cemetery	19,845	13,200	18,000		(4,800)
Interest on investments	8,962	10,829	13,000		(2,171)
Total use of money & property	74,121	74,951	75,700		(749)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts - continued				
Other				
Reimbursed expense	\$ 117,289	\$ 144,008	\$ 132,000	\$ 12,008
Reimbursed NSF Checks	11,100	10,238	0	10,238
Miscellaneous	5,696	4,315	7,000	(2,685)
Total other	134,085	158,561	139,000	19,561
Total cash receipts	3,771,413	4,030,972	3,909,373	121,599
Expenditures				
Administration				
Full time salaries	136,055	133,630	\$ 130,000	\$ 3,630
Part time help	15,799	13,444	12,700	744
Overtime	75	61	120	(59)
Other personal services	2,493	2,484	2,500	(16)
Legal service	12,297	11,700	18,000	(6,300)
Telephone	6,117	5,857	6,500	(643)
Credit card transaction fees	8,447	11,874	8,500	3,374
Training, travel and dues	7,143	9,533	9,000	533
Printing	1,459	1,902	1,000	902
Advertising	1,238	1,627	500	1,127
Insurance	8,445	9,004	8,300	704
Utility charges	9,356	9,460	11,000	(1,540)
Other services	47,662	53,854	41,000	12,854
Civil defense sirens	1,833	3,763	5,000	(1,237)
Street lights	155,453	157,457	150,000	7,457
Chamber of commerce dues	10,000	10,000	10,000	0
General office supplies	8,075	5,841	7,000	(1,159)
Postage	3,493	3,158	5,000	(1,842)
Gifts and memorials	684	644	500	144
Operational supplies	3,008	1,817	3,500	(1,683)
Building and maintenance supplies	917	794	1,500	(706)
Cleaning supplies	455	372	750	(378)
Non sufficient funds checks	10,780	10,001	9,000	1,001
Miscellaneous	141	150	1,000	(850)
Office Equip. Furniture	76	0	0	0
Computer equip. & software	458	1,606	2,000	(394)
Refunds	126	10	250	(240)
Sales tax	2,871	1,464	2,000	(536)
Total administration	454,956	461,507	446,620	14,887

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Expenditures - continued	2017			
	2016 Actual	Actual	Budget	Variance Over (Under)
Police department				
Full time salaries	\$ 973,920	\$ 986,501	\$ 1,052,500	\$ (65,999)
Part time help	14,190	14,344	17,000	(2,656)
Overtime	70,750	55,050	30,000	25,050
Holiday overtime	33,037	32,791	37,000	(4,209)
Communications equipment	2,268	2,228	2,000	228
Telephone	15,530	15,678	14,000	1,678
Training, travel and dues	16,362	14,660	12,000	2,660
Training T&D Command Staff	3,932	8,457	10,000	(1,543)
Advertising	287	350	300	50
Insurance	20,904	25,053	23,000	2,053
Lease payments	57,560	20,055	26,650	(6,595)
Animal care	14,538	11,524	15,000	(3,476)
Utilities	28,410	27,996	28,000	(4)
Other services	31,850	35,078	37,500	(2,422)
Office supplies	3,881	3,074	4,000	(926)
Postage	1,752	1,515	2,200	(685)
Gifts and memorials	50	0	0	0
Operational supplies	11,338	11,358	12,000	(642)
DARE supplies	1,428	1,507	1,500	7
Vehicle maintenance	12,639	9,059	15,000	(5,941)
Equipment maintenance	4,529	4,279	5,000	(721)
Building maintenance	12,625	14,176	13,000	1,176
Cleaning supplies	1,487	1,567	2,000	(433)
Motor fuel and lubrication	21,823	24,391	38,000	(13,609)
Uniforms	11,043	10,177	8,000	2,177
Enforcement equip. & supplies	14,781	15,156	14,000	1,156
Non sufficient funds checks	0	47	0	47
Miscellaneous supplies	1,933	2,471	2,500	(29)
Office equipment	1,293	1,417	1,500	(83)
Computer equip. & software	27,613	27,831	13,500	14,331
Equipment, bldg. & grounds	160	308	1,000	(692)
Motor vehicles	7,200	31,921	32,000	(79)
Refunds	76	(300)	0	(300)
Total police department	1,419,189	1,409,719	1,470,150	(60,431)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Fire department				
Full time salaries	\$ 158,054	\$ 168,191	\$ 155,000	\$ 13,191
Part time help	1,822	4,645	5,500	(855)
Telephone	2,181	2,289	2,100	189
Travel, dues and tags	8,001	8,913	8,000	913
Advertising Expense	128	0	0	0
Insurance	15,522	13,472	18,000	(4,528)
Lease payments	29,522	30,270	29,522	748
Utilities	16,789	18,359	18,000	359
Other contractual	11,193	9,796	10,000	(204)
General office supplies	393	987	900	87
Postage	170	54	300	(246)
Gifts/memorials	100	0	500	(500)
Operational supplies	16,755	14,224	16,000	(1,776)
Vehicle maintenance	1,900	5,675	6,000	(325)
Equipment maintenance	3,446	3,905	6,000	(2,095)
Comm. equip. & maint.	8,502	8,365	12,000	(3,635)
Building maintenance	5,760	9,296	7,000	2,296
Cleaning supplies	762	666	750	(84)
Motor fuel and lubrication	823	1,866	2,800	(934)
Rural fuel	957	1,847	3,000	(1,153)
Uniforms	4,178	6,740	4,000	2,740
Protective clothing	16,629	14,516	17,500	(2,984)
Computer equip. & software	4,563	3,057	3,750	(693)
Total fire department	308,150	327,133	326,622	511
Municipal court				
Full time salaries	37,426	38,759	38,800	(41)
Part time help	31,344	31,848	31,900	(52)
Legal services	63,774	88,055	85,000	3,055
Training, travel and dues	632	2,830	2,000	830
Prisoner care	13,650	18,334	23,000	(4,666)
Other contract	13,780	20,057	17,000	3,057
Office supplies	1,610	1,508	1,500	8
Non Sufficient Funds	1,057	484	700	(216)
Postage	750	529	750	(221)
Operational supplies	663	695	1,000	(305)
Refunds	180	65	0	65
Computer equip. & software	279	238	1,000	(762)
Transfer- Police Bond	29,590	26,799	30,000	(3,201)
Total municipal court	194,735	230,201	232,650	(2,449)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Expenditures - continued	2017			
	2016 Actual	Actual	Budget	Variance Over (Under)
Street department				
Full time salaries	\$ 182,157	\$ 170,618	\$ 175,000	\$ (4,382)
Part time help	7,587	4,455	6,500	(2,045)
Overtime	2,608	1,813	2,500	(687)
Telephone	2,171	2,256	2,300	(44)
Training, travel, dues	198	1,870	1,000	870
Advertising	0	189	500	(311)
Insurance	9,913	11,781	10,800	981
Lease payments	0	2,167	25,000	(22,833)
Utility charges	17,794	16,369	18,500	(2,131)
Other services	5,428	6,448	8,500	(2,052)
Tree care	3,250	2,900	5,000	(2,100)
General office supplies	305	105	1,000	(895)
Operational supplies	18,305	17,493	25,000	(7,507)
Consumables	30	0	0	0
Vehicle maintenance	1,736	2,089	5,000	(2,911)
Snow/Ice Control	11,231	9,237	15,000	(5,763)
Equipment maintenance	26,739	28,385	25,000	3,385
Traffic	4,337	4,647	10,000	(5,353)
Building maintenance	176	1,232	1,500	(268)
Construction material	23,493	27,130	25,000	2,130
Motor fuel and lubrication	18,875	18,703	28,000	(9,297)
Uniforms	4,261	4,303	5,000	(697)
Miscellaneous supplies	140	0	300	(300)
Office equipment furniture	0	609	1,000	(391)
Computer equipment/ software	374	24	2,000	(1,976)
Motor vehicle/equipment	0	0	10,000	(10,000)
Miscellaneous capital items	90,000	95,008	95,000	8
Total street department	431,108	429,831	504,400	(74,569)
Park and recreation				
Full time salaries	146,109	157,631	148,000	9,631
Part time help	18,580	22,028	22,500	(472)
Overtime	897	2,145	800	1,345
Telephone	1,940	2,043	2,000	43
Training, travel and dues	325	980	800	180
Advertising	638	333	600	(267)
Insurance	6,151	6,688	6,600	88
Utility charges	37,642	37,790	40,000	(2,210)
Other services	50,155	22,486	31,500	(9,014)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Park and recreation - continued				
Tree care	\$ 0	\$ 2,171	\$ 5,000	\$ (2,829)
General office supplies	187	94	300	(206)
Operational supplies	13,249	9,901	12,000	(2,099)
Chemicals and fertilizer	4,017	3,321	2,800	521
Plant materials	1,530	1,976	4,000	(2,024)
Consumables	1,117	1,354	1,500	(146)
Vehicle maintenance	3,972	959	3,500	(2,541)
Equipment maintenance	5,698	7,159	8,000	(841)
Building maintenance	4,634	7,269	7,000	269
Construction material	1,253	2,115	2,000	115
Motor fuel and lubrication	9,744	12,739	15,000	(2,261)
Uniforms	1,234	1,241	1,500	(259)
Computer Equip/Software	374	448	1,000	(552)
Equipment/building & grounds	1,450	14,488	16,000	(1,512)
Total park & recreation	310,896	317,359	332,400	(15,041)
Cemetery				
Full time salaries	53,143	55,378	55,500	(122)
Part time help	0	0	500	(500)
Overtime	3,019	2,717	3,000	(283)
Training, travel and dues	0	112	250	(138)
Advertising	50	65	0	65
Insurance	602	599	650	(51)
Other Contractual	1,200	1,579	1,200	379
Operational supplies	1,537	280	1,500	(1,220)
Vehicle maintenance	0	232	500	(268)
Equipment maintenance	170	281	1,000	(719)
Building maintenance	0	1,076	2,000	(924)
Motor fuel and lube	1,106	1,477	2,500	(1,023)
Uniforms	326	335	500	(165)
Computer Equip/Software	0	850	0	850
Total cemetery	61,153	64,981	69,100	(4,119)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Community development				
Full time salaries	\$ 163,143	\$ 156,986	\$ 173,000	\$ (16,014)
Part time help	4,740	0	5,000	(5,000)
Overtime	867	0	350	(350)
Professional services	5,784	5,900	8,000	(2,100)
Legal services	0	0	2,000	(2,000)
Telephone	3,259	3,282	3,500	(218)
Training, travel and dues	1,930	1,786	2,500	(714)
Legal printing	1,973	392	1,500	(1,108)
Advertising	0	54	0	54
Insurance	695	1,316	1,000	316
Other Contractual	8,483	8,987	6,500	2,487
General office supplies	2,624	3,429	2,500	929
Postage	787	373	500	(127)
Operational supplies	1,358	1,185	2,000	(815)
Vehicle maintenance	131	27	1,500	(1,473)
Motor fuel and lubrication	466	536	2,000	(1,464)
Uniforms	240	234	300	(66)
Miscellaneous	1,251	308	0	308
Computer equipment & software	1,099	5,220	4,500	720
Motor Vehicle/Equipment	132	0	0	0
Refunds	690	450	0	450
Total community development	199,652	190,465	216,650	(26,185)
Economic Development				
Miscellaneous	0	1,475	2,500	(1,025)
Operating transfers	427,000	519,800	519,800	0
Appropriated reserve	0	0	421,921	(421,921)
Total expenditures and transfers subject to budget	3,806,839	3,952,470	\$ 4,542,813	\$ (590,343)
Receipts over (under) expenditures	(35,426)	78,502		
Unencumbered cash, January 1	651,437	616,012		
Unencumbered cash, December 31	\$ 616,012	\$ 694,513		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS

LIBRARY FUND - 02

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Taxes				
Ad valorem property tax	\$ 215,145	\$ 226,883	\$ 221,150	\$ 5,733
Back tax collections	6,005	2,437	4,000	(1,563)
Motor vehicle tax	26,083	26,336	25,149	1,187
In lieu of tax	1,016	1,371	800	571
Total taxes	248,249	257,027	251,099	5,928
Intergovernmental				
State aid and grants	30,124	19,368	24,900	(5,532)
Use of money and property				
Interest on investments	379	679	300	379
Fines and fees	3,452	3,060	4,700	(1,640)
Other				
Miscellaneous	3,931	4,069	4,000	69
Total cash receipts	286,135	284,203	\$ 284,999	\$ (796)
Expenditures				
Regular salaries	84,819	88,934	\$ 91,000	\$ (2,066)
Temporary help	54,486	45,641	55,000	(9,359)
Library pages	25,043	25,399	24,200	1,199
Overtime	285	542	500	42
Unemployment benefits	175	158	300	(142)
Telephone services	1,975	2,100	1,900	200
Training	1,201	1,744	1,800	(56)
Advertising	1,957	1,000	900	100
Insurance and bond premiums	6,854	6,975	7,500	(525)
Utility charges	11,761	11,108	13,000	(1,892)
Other services	9,408	11,631	10,000	1,631
Office supplies	1,879	1,268	2,000	(732)
Postage	566	289	800	(511)
Gifts & memorials	18	131	0	131
Operation supplies	4,564	4,656	4,100	556
Building maintenance supplies	1,433	2,353	1,800	553
Cleaning supplies	661	440	600	(160)
Library media	14,544	15,496	15,500	(4)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND - 02
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance Over (Under)
		2016 Actual	Actual Budget	
Expenditures - continued				
Library materials	\$	1,561	\$ 1,367 \$ 1,500	\$ (133)
Children's programming		1,032	205 200	5
Adult programming		93	0 0	0
Computer equipment and software		401	5,055 5,250	(195)
Motor vehicle/equipment		539	0 500	(500)
Library books		272	7,356 7,500	(144)
Refunds		62	71 100	(29)
Special Grants		0	895 0	895
Total expenditures		225,589	234,814 245,950	(11,136)
Operating transfers		50,600	50,000 50,000	0
Appropriated reserve		0	0 23,497	(23,497)
Total expenditures and transfers subject to budget		276,189	284,814 \$ 319,447 \$	(34,633)
Receipts over (under) expenditures		9,946	(611)	
Unencumbered cash, January 1		33,730	43,676	
Unencumbered cash, December 31	\$	43,676	\$ 43,065	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
EMPLOYEE BENEFIT FUND - 05
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance Over Under
	2016 Actual	Actual	Budget	
Cash receipts				
Taxes				
Ad valorem property tax	\$ 278,625	\$ 284,610	\$ 277,350	\$ 7,260
Back tax collections	8,063	3,200	3,000	200
Motor vehicle tax	33,996	34,107	32,500	1,607
In lieu of tax	1,315	1,720	1,300	420
Total taxes	321,999	323,637	314,150	9,487
Use of money and property				
Interest on investments	2,655	4,322	2,000	2,322
Other				
Reimbursements	66,821	60,238	70,000	(9,762)
Operating transfers	713,250	811,300	811,300	0
Total cash receipts	1,104,725	1,199,497	\$ 1,197,450	\$ 2,047
Expenditures				
Final Benefits Payout	18,304	26,231	\$ 100,000	\$ (73,769)
HRA	22,330	17,814	70,000	(52,186)
Health Premiums	308,059	349,864	410,000	(60,136)
Cobra Insurance Premiums	24,907	18,788	34,000	(15,212)
Worker's compensation	53,970	59,194	80,000	(20,806)
FICA employer's contributions	221,708	223,930	250,000	(26,070)
KPERS employer's contributions	337,391	318,238	355,000	(36,762)
Section 125 payments	28,568	23,860	32,000	(8,140)
Unemployment	2,877	2,922	4,000	(1,078)
Training, travel, dues	274	481	500	(19)
Insurance	4,797	5,352	5,500	(148)
Employee assistance	8,370	6,455	10,500	(4,045)
Other contractual	3,127	1,454	1,500	(46)
Miscellaneous	850	1,129	2,000	(871)
Employee development	15,926	22,403	18,000	4,403
Total expenditures	1,051,458	1,078,115	1,373,000	(294,885)
Operating Transfers	7,500	0	0	0
Appropriated reserve	0	0	350,893	(350,893)
Total expenditures subject to budget	1,058,958	1,078,115	\$ 1,723,893	\$ (645,778)
Receipts over (under) expenditures	45,767	121,382		
Unencumbered cash, January 1	591,062	636,829		
Unencumbered cash, December 31	\$ 636,829	\$ 758,211		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Sales Tax	\$ 1,701	\$ 1,438	\$ 1,500	\$ (62)
Charges for services				
Season passes	18,110	16,885	18,000	(1,115)
Gate receipts	29,804	24,941	29,000	(4,059)
Coupon books	6,567	5,827	5,000	827
Concessions	18,395	15,548	17,000	(1,452)
Lessons	6,311	6,267	6,500	(233)
Total charges for services	79,187	69,468	75,500	(6,032)
Use of money and property				
Rentals	3,200	4,000	2,800	1,200
Interest on investments	598	1,058	500	558
Total use of money & property	3,798	5,058	3,300	1,758
Other				
Reimbursed expenses	62	100	0	100
Operating transfers	150,000	100,000	100,000	0
Total cash receipts	234,748	176,064	\$ 180,300	\$ (4,236)
Expenditures				
Regular Salaries	64,406	64,406	\$ 61,500	\$ 2,906
Temporary help	67,334	66,703	82,000	(15,297)
Overtime	6,121	5,531	5,000	531
Other personal services	832	829	900	(71)
Telephone	988	1,050	900	150
Training, travel, dues	1,805	1,800	2,000	(200)
Advertising	2,369	3,250	2,000	1,250
Insurance	5,873	5,826	6,500	(674)
Utilities	17,105	14,612	17,000	(2,388)
Other contractual	2,110	3,690	3,500	190
Postage	0	51	0	51
General supplies	36	33	200	(167)
Operational supplies	14,565	11,844	14,000	(2,156)
Equipment maintenance	1,225	132	1,000	(868)
Building & maintenance	10,068	216	10,000	(9,784)
Cleaning	42	83	300	(217)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER FUND - 07
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Uniforms	1,962	1,804	2,500	(696)
Nonsufficient funds checks	79	109	0	109
Concession supplies	\$ 10,423	\$ 10,401	\$ 13,000	\$ (2,599)
Equipment and plant	9,700	613	10,000	(9,387)
Refunds	158	285	0	285
Sales tax	1,736	1,404	1,500	(96)
Total expenditures	218,937	194,672	233,800	(39,128)
Operating transfers	46,500	73,171	46,500	26,671
Appropriated reserve	0	0	86,423	(86,423)
Total expenditures and transfers subject to budget	265,437	267,843	\$ 366,723	\$ (98,880)
Receipts over (under) expenditures	(30,689)	(91,779)		
Unencumbered cash, January 1	223,948	193,259		
Unencumbered cash, December 31	\$ 193,259	\$ 101,480		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Charges for services				
Rentals	\$ 16,032	\$ 17,977	\$ 20,000	\$ (2,023)
Concessions	720	1,027	1,300	(273)
Ticket sales	4,665	4,127	6,500	(2,373)
Program and events	2,257	2,100	3,000	(900)
Memberships	1,410	150	2,000	(1,850)
Total charges for services	25,084	25,381	32,800	(7,419)
Intergovernmental				
Grants	0	0	3,000	(3,000)
Use of money and property				
Interest on investments	180	268	150	118
Fees				
Fees	3,600	2,080	3,000	(920)
Other				
Donations	650	2,160	1,000	1,160
Reimbursed expenses	0	125	0	125
Miscellaneous	193	0	0	0
Sales Tax	66	129	50	79
Total other	909	2,414	1,050	1,364
Operating transfers	83,000	83,000	83,000	0
Total cash receipts	112,773	113,143	\$ 123,000	\$ (9,857)
Expenditures				
Full time salaries	50,373	52,140	\$ 52,000	\$ 140
Part time help	5,127	5,201	6,000	(799)
Telephone	2,105	2,147	2,000	147
Training and travel	504	100	1,000	(900)
Advertising	795	1,745	2,000	(255)
Insurance	10,322	9,664	11,400	(1,736)
Utilities	13,319	12,097	16,000	(3,903)
Other contractual	2,188	1,706	4,200	(2,494)
Event and program costs	5,320	5,226	10,000	(4,774)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2e

SPECIAL REVENUE FUNDS
COMMUNITY CENTER - 08
SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
General office supplies	\$ 358	\$ 83	\$ 250	\$ (167)
Postage	135	0	1,500	(1,500)
Gifts/memorials	0	90	0	90
Operating supplies	1,326	1,231	2,800	(1,569)
Building maintenance	4,947	2,107	3,500	(1,393)
Cleaning supplies	1,118	1,134	1,000	134
Concession supplies	402	554	500	54
Office Equip. Furniture	245	0	250	(250)
Miscellaneous	42	393	200	193
Computer equipment and software	0	305	500	(195)
Sales tax	125	110	0	110
Real Estate taxes	1,684	558	1,900	(1,342)
Summer programs part time help	1,650	1,452	2,500	(1,048)
Advertising	1,352	1,180	1,400	(220)
Operational supplies	1,438	1,201	1,000	201
Refunds	375	1,060	250	810
Total expenditures	105,250	101,484	122,150	(20,666)
Operating transfers	12,400	13,000	13,000	0
Appropriated reserve	0	0	30,787	(30,787)
Total expenditures and transfers subject to budget	117,650	114,484	\$ 165,937	\$ (51,453)
Receipts over (under) expenditures	(4,877)	(1,341)		
Unencumbered cash, January 1	52,354	47,477		
Unencumbered cash, December 31	\$ 47,477	\$ 46,136		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
STORM WATER MANAGEMENT - 12
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017			Variance
	2016				Over
	Actual	Actual	Budget		(Under)
Cash receipts					
Charges for services					
Storm water management fees	\$ 83,020	\$ 83,858	\$ 82,000	\$	1,858
Use of money and property					
Interest on investments	313	438	700		(262)
Total cash receipts	83,333	84,296	82,700	\$	1,596
Expenditures					
Full time salaries	49,526	15,874	28,500	\$	(12,626)
Overtime	3,495	57	2,000		(1,943)
Professional Services	4,000	0	0		0
Other contractual	0	2,500	500		2,000
Construction materials	3,733	1,511	23,000		(21,489)
Lease payments	0	0	0		0
Equipment/plant	0	17,765	15,000		2,765
Storm water construction	2,767	0	20,000		(20,000)
Total expenditures	63,521	37,707	89,000		(51,293)
Operating transfers	26,000	27,000	27,000		0
Appropriated reserve	0	0	46,189		(46,189)
Total expenditures and transfers subject to budget	89,521	64,707	162,189	\$	(97,482)
Receipts over (under) expenditures	(6,188)	19,589			
Unencumbered cash, January 1	85,288	79,100			
Unencumbered cash, December 31	\$ 79,100	\$ 98,689			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
SPECIAL PARK AND RECREATION FUND - 14
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
Cash receipts	Actual			(Under)
Intergovernmental				
Local liquor tax	\$ 14,253	\$ 15,672	\$ 15,000	\$ 672
Use of money and property				
Interest on investment	146	321	100	221
Total cash receipts	14,399	15,993	\$ 15,100	\$ 893
Expenditures				
Other services	0	0	\$ 3,500	\$ (3,500)
Construction materials	2,650	2,834	3,500	(666)
Total expenditures	2,650	2,834	7,000	(4,166)
Appropriated reserve	0	0	52,535	(52,535)
Total expenditures subject to budget	2,650	2,834	\$ 59,535	\$ (56,701)
Receipts over (under) expenditures	11,749	13,159		
Unencumbered cash, January 1	37,335	49,084		
Unencumbered cash, December 31	\$ 49,084	\$ 62,243		

City of Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
STREET REPAIR - SPECIAL HIGHWAY FUND - 17
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash receipts				
Taxes				
Gas tax	\$ 147,505	\$ 147,921	\$ 145,000	\$ 2,921
Use of money and property				
Interest on investments	341	388	350	38
Total cash receipts	147,846	148,309	\$ 145,350	\$ 2,959
Expenditures				
Full time salaries	11,283	10,289	\$ 14,200	\$ (3,911)
Overtime	193	0	500	(500)
Other contractual	0	0	2,000	(2,000)
Construction material	142,292	140,000	140,000	0
Total expenditures	153,768	150,289	156,700	(6,411)
Operating transfers	2,750	3,000	3,000	0
Appropriated reserve	0	0	40,527	(40,527)
Total expenditures subject to budget	156,518	153,289	\$ 200,227	\$ (46,938)
Receipts over (under) expenditures	(8,672)	(4,980)		
Unencumbered cash, January 1	67,578	58,906		
Unencumbered cash, December 31	\$ 58,906	\$ 53,926		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
SPECIAL LAW ENFORCEMENT ACCOUNT - 18
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Interest on investment	\$ 50	\$ 120
 Other		
Miscellaneous	27,351	0
 Total cash receipts	27,401	120
 Expenditures		
Miscellaneous	10,000	14,696
 Total expenditures	10,000	14,696
 Receipts over (under) expenditures	17,401	(14,576)
 Unencumbered cash, January 1	3,819	21,220
 Unencumbered cash, December 31	\$ 21,220	\$ 6,644

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
TRANSIENT GUEST TAX - 20
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash receipts				
Taxes				
Transient guest tax	\$ 36,441	\$ 35,574	\$ 32,500	\$ 3,074
Use of money and property				
Interest on investment	278	397	300	97
Total cash receipts	36,719	35,971	\$ 32,800	\$ 3,171
Expenditures				
Other contractual	0	1,920	\$ 25,725	\$ (23,805)
Economic Development Chamber	7,500	10,000	10,000	0
Promotional campaigns	29,972	27,750	28,000	(250)
Professional Services	0	900	2,000	(1,100)
Total expenditures	37,472	40,570	65,725	(25,155)
Appropriated reserve	0	0	40,000	(40,000)
Total expenditures and transfers subject to budget	37,472	40,570	\$ 105,725	\$ (65,155)
Receipts over (under) expenditures	(753)	(4,599)		
Unencumbered cash, January 1	80,654	79,901		
Unencumbered cash, December 31	\$ 79,901	\$ 75,302		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
FAMILY AQUATICS CENTER EQUIPMENT RESERVE - 23
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 2,800	\$ 3,239
Total cash receipts	<u>2,800</u>	<u>3,239</u>
Expenditures		
Other contractual	0	0
Operating transfers	<u>150,000</u>	<u>100,000</u>
Total expenditures and transfers	<u>150,000</u>	<u>100,000</u>
Receipts over (under) expenditures	(147,200)	(96,761)
Unencumbered cash, January 1	<u>749,353</u>	<u>602,153</u>
Unencumbered cash, December 31	\$ <u><u>602,153</u></u>	\$ <u><u>505,392</u></u>

See Independent Auditor's Report.

City of Paola, Kansas**Schedule 21****SPECIAL PURPOSE FUNDS****ESCROW FUND - 46****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Escrow receipts	\$ <u>2,850</u>	\$ <u>9,838</u>
Total cash receipts	<u>2,850</u>	<u>9,838</u>
Expenditures		
Escrow disbursements	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	2,850	9,838
Unencumbered cash, January 1	<u>950</u>	<u>3,800</u>
Unencumbered cash, December 31	\$ <u><u>3,800</u></u>	\$ <u><u>13,638</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
MENNENOAH CEMETERY - 47
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
	Actual	Actual
Cash receipts		
Use of money and property		
Donations	\$ 0	\$ 23,788
Interest on investment	<u>78</u>	<u>197</u>
Total cash receipts	<u>78</u>	<u>23,985</u>
Expenditures		
Other Contractual	<u>0</u>	<u>1,599</u>
Total expenditures	<u>0</u>	<u>1,599</u>
Receipts over (under) expenditures	78	22,386
Unencumbered cash, January 1	<u>20,819</u>	<u>20,897</u>
Unencumbered cash, December 31	\$ <u><u>20,897</u></u>	\$ <u><u>43,283</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
SPECIAL GRANTS FUND - 70
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
	<u>Actual</u>	<u>Actual</u>
Cash receipts		
Intergovernmental		
Grants	\$ 50,231	\$ 45,626
 Use of money and property		
Reimbursed expenses	122	4,086
Donations and Gifts	<u>6,200</u>	<u>15,921</u>
Total use of money and property	<u>6,322</u>	<u>20,007</u>
Total cash receipts	<u>56,553</u>	<u>65,633</u>
 Expenditures		
Contractual, materials and equipment	<u>48,007</u>	<u>54,693</u>
Total expenditures	<u>48,007</u>	<u>54,693</u>
Receipts over (under) expenditures	8,546	10,940
Unencumbered cash, January 1	<u>9,999</u>	<u>18,545</u>
Unencumbered cash, December 31	\$ <u><u>18,545</u></u>	\$ <u><u>29,485</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
DRUG ENFORCEMENT ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Cash receipts		
Other		
Reimbursement	\$ 10	\$ 3,000
Expenditures		
Other services	<u>0</u>	<u>3,350</u>
Receipts over (under) expenditures	10	(350)
Unencumbered cash, January 1	<u>1,853</u>	<u>1,863</u>
Unencumbered cash, December 31	\$ <u><u>1,863</u></u>	\$ <u><u>1,513</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2p

DEBT SERVICE FUND
BOND & INTEREST - 06
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Ad valorem property tax	\$ 328,339	\$ 335,325	\$ 326,850	\$ 8,475
Back tax collections	8,020	3,499	3,000	499
Motor vehicle tax	37,649	39,675	38,381	1,294
Special assessments	48,656	165,243	40,000	125,243
In lieu of tax	1,550	2,027	2,000	27
Total taxes	424,214	545,769	410,231	135,538
Use of money and property				
Interest on investments	3,118	5,517	3,000	2,517
Miscellaneous	4,648	10	0	10
Total use of money and property	7,766	5,527	3,000	2,527
Operating transfers	1,397,568	1,412,992	1,410,193	2,799
Total cash receipts	1,829,548	1,964,288	\$ 1,823,424	\$ 140,864
Expenditures				
Bond principal	1,380,000	1,400,000	\$ 1,400,000	\$ 0
Interest expense	364,953	338,283	338,253	30
Other reserves	0	0	248,873	(248,873)
Total expenditures and transfers subject to budget	1,744,953	1,738,283	\$ 1,987,126	\$ (248,843)
Receipts over (under) expenditures	84,595	226,005		
Unencumbered cash, January 1	102,450	187,045		
Unencumbered cash, December 31	\$ 187,045	\$ 413,050		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2q

**CAPITAL PROJECTS FUNDS
WASTE WATER TREATMENT PLANT CONSTRUCTION - 31
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017
	<u>Actual</u>	<u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 2,905	\$ 4,568
Expenditures		
Equipment/Plant	<u>0</u>	<u>17,550</u>
Receipts over (under) expenditures	2,905	(12,982)
Unencumbered cash (deficit), January 1	<u>777,512</u>	<u>780,417</u>
Unencumbered cash (deficit), December 31	<u><u>\$ 780,417</u></u>	<u><u>\$ 767,435</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2r

CAPITAL PROJECTS FUNDS
EQUIPMENT REPLACEMENT - 80
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017
	<u>Actual</u>	<u>Actual</u>
Cash receipts		
Other		
Loan proceeds	\$ 185,000	\$ 0
Sale of Surplus Equipment	0	25,364
Reimbursed Expense	5,390	430
Miscellaneous	<u>15,419</u>	<u>7,065</u>
Operating Transfers	<u>30,000</u>	<u>56,671</u>
Total cash receipts	<u>235,809</u>	<u>89,530</u>
Expenditures		
Equipment/plant	202,500	45,425
Computer Equip/Software	3,995	0
Motor vehicle	<u>14,723</u>	<u>0</u>
Total expenditures	<u>221,218</u>	<u>45,425</u>
Receipts over (under) expenditures	14,591	44,105
Unencumbered cash (deficit), January 1	<u>71,451</u>	<u>86,042</u>
Unencumbered cash (deficit), December 31	\$ <u><u>86,042</u></u>	\$ <u><u>130,147</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2s

CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS - 90
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Taxes and shared revenues		
City sales tax	\$ 1,149,056	\$ 1,209,188
Other		
Interest	1,390	2,287
Miscellaneous	10,364	9,517
Reimbursements	8,852	16,987
Grants	62,669	201,675
Donations and gifts	97,132	16,446
Total other	180,407	246,912
Operating transfers	46,000	46,000
Total cash receipts	1,375,463	1,502,100
Expenditures		
Construction materials	314,086	138,572
Other contractual	102,960	216,916
Capital items	22,975	26,958
Professional Services	3,950	35,743
Other	11,374	40,039
Total expenditures	455,345	458,228
Operating transfers	910,311	920,935
Total expenditures and transfers	1,365,656	1,379,163
Receipts over (under) expenditures	9,807	122,937
Unencumbered cash (deficit), January 1	744,186	753,993
Unencumbered cash (deficit), December 31	\$ 753,993	\$ 876,930

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2t

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017			
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services				
Sale of water	\$ 1,864,053	\$ 1,751,769	\$ 2,100,000	\$ (348,231)
Water for resale	45,207	46,006	45,000	1,006
Sales tax	30,082	26,651	42,000	(15,349)
Tank sales	7,189	8,228	15,000	(6,772)
Installation charges	83,555	36,500	25,000	11,500
Connection fees	7,920	8,515	8,000	515
Total charges for services	2,038,006	1,877,669	2,235,000	(357,331)
Use of money and property				
Interest on investments	471	1,380	500	880
Total use of money and property	471	1,380	500	880
Other				
Reimbursed expenses	77,341	78,099	80,000	(1,901)
KS setoff reimbursement	5,218	5,753	7,000	(1,247)
Miscellaneous	350	350	0	350
Long/short	5	(18)	0	(18)
	82,914	84,184	87,000	(2,816)
Total cash receipts	2,121,391	1,963,233	\$ 2,322,500	\$ (359,267)
Expenditures				
Administration				
Full time salaries	38,522	58,482	\$ 78,000	\$ (19,518)
Overtime	37	30	200	(170)
Other personal services	2,493	2,484	2,750	(266)
Insurance and bonds	10,355	9,830	11,500	(1,670)
Other contractual	4,563	4,790	5,000	(210)
General office supplies	689	360	700	(340)
Postage	4,379	4,043	5,000	(957)
Operational supplies	0	766	1,100	(334)
Miscellaneous	0	32	1,000	(968)
Refunds	1,500	1,250	0	1,250
Sales tax remittance	48,052	39,666	42,000	(2,334)
Total administration	110,590	121,733	147,250	(25,517)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2t

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Expenditures - continued	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Production				
Full time salaries	\$ 57,448	\$ 60,609	\$ 56,000	\$ 4,609
Overtime	487	533	1,000	(467)
Telephone services	387	356	500	(144)
Training, travel, dues	100	211	100	111
Utilities	6,219	6,874	5,000	1,874
Other contractual	0	0	1,000	(1,000)
Water purchase	1,491,497	1,389,710	1,700,000	(310,290)
Motor fuel and lubrication	240	126	500	(374)
Uniforms	276	252	250	2
Total production	1,556,654	1,458,671	1,764,350	(305,679)
Distribution				
Full time salaries	29,759	39,992	30,000	9,992
Overtime	550	391	750	(359)
Tank maintenance	9,293	9,292	9,300	(8)
Telephone services	2,974	2,014	2,000	14
Training, travel, dues	1,722	3,029	2,000	1,029
Advertising	0	634	0	634
Lease Payments	0	16,441	16,000	441
Utilities	1,063	1,174	2,000	(826)
Testing analytical	2,830	2,974	2,000	974
Other contractual	7,556	7,843	8,000	(157)
General office supplies	176	109	450	(341)
Postage	413	422	500	(78)
Operational supplies	32,505	20,356	30,000	(9,644)
Vehicle maintenance	1,678	2,263	2,000	263
Equipment maintenance	1,631	7,132	2,500	4,632
Building and maintenance	1,294	1,823	2,500	(677)
Construction materials	13,823	25,050	20,000	5,050
Motor fuel and lubrication	7,040	7,252	10,000	(2,748)
Uniforms	816	710	1,500	(790)
Computer equipment and software	1,000	24	1,000	(976)
Mains and meters	72,827	87,140	75,000	12,140
Total distribution	188,950	236,065	217,500	18,565

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2t

BUSINESS FUNDS
WATER UTILITY FUND - 09
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance Over (Under)</u>
		<u>2016 Actual</u>	<u>Actual Budget</u>	
Expenditures - continued				
Operating transfers	\$	<u>157,000</u>	\$ <u>166,000</u> \$ <u>166,000</u>	\$ <u>0</u>
Appropriated reserve		<u>0</u>	<u>0</u> <u>162,945</u>	<u>(162,945)</u>
Total expenditures and transfers subject to budget		<u>2,013,194</u>	<u>1,982,469</u> \$ <u>2,458,045</u>	\$ <u>(475,576)</u>
Receipts over (under) expenditures		108,197	(19,236)	
Unencumbered cash, January 1		<u>124,250</u>	<u>232,447</u>	
Unencumbered cash, December 31	\$	<u><u>232,447</u></u>	<u><u>213,211</u></u>	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

BUSINESS FUNDS
WATER TREATMENT PLANT FUND - 15
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Use of money and property				
Interest	\$ 1,007	\$ 1,594	\$ 1,000	\$ 594
Total cash receipts	1,007	1,594	1,000	594
Expenditures				
Capital improvements	0	0	\$ 271,450	\$ (271,450)
Total expenditures and transfers subject to budget	0	0	\$ 271,450	\$ (271,450)
Receipts over (under) expenditures	1,007	1,594		
Unencumbered cash, January 1	269,522	270,529		
Unencumbered cash, December 31	\$ 270,529	\$ 272,123		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash receipts				
Charges for services				
Inspection charges	\$ 1,660	\$ 2,500	\$ 2,000	\$ 500
Sewer lagoon dumping	22,095	13,287	23,000	(9,713)
Sewer service charges	765,219	734,387	775,000	(40,613)
Total charges for services	788,974	750,174	800,000	(49,826)
Use of money and property				
Interest on investments	1,066	1,892	700	1,192
Other				
Reimbursed expenses	46,152	2,834	5,000	(2,166)
Total cash receipts	836,192	754,900	\$ 805,700	\$ (50,800)
Expenditures				
Administration				
Full time salaries	104,107	114,618	\$ 114,000	\$ 618
Overtime	112	92	100	(8)
Other personal services	2,493	2,484	3,500	(1,016)
Training, Travel, Dues	0	0	1,000	(1,000)
Insurance	21,641	25,217	23,800	1,417
Other contractual	4,371	4,451	4,500	(49)
General office supplies	689	360	500	(140)
Postage	4,378	4,043	5,000	(957)
Miscellaneous	0	32	0	32
Total administration	137,791	151,297	152,400	(1,103)
Production				
Full time salaries	45,559	43,875	55,000	(11,125)
Overtime	395	294	1,500	(1,206)
Telephone services	1,126	931	1,300	(369)
Training, travel, dues	305	742	1,500	(758)
Utilities	79,417	89,543	80,000	9,543
Testing and analytical	3,661	5,101	8,000	(2,899)
Other contractual	5,972	5,469	6,000	(531)
General office supplies	131	146	200	(54)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Production - continued				
Operational supplies	\$ 8,919	\$ 7,890	\$ 15,000	\$ (7,110)
Vehicle maintenance	541	139	500	(361)
Equipment maintenance	3,129	1,228	1,500	(272)
Building maintenance	639	641	1,500	(859)
Motor fuel and lubricants	1,940	1,518	2,900	(1,382)
Uniforms	420	386	500	(114)
Computer Equipment and Software	277	13	1,000	(987)
Equipment, building and grounds	5,000	4,323	5,000	(677)
Total production	157,431	162,239	181,400	(19,161)
Distribution				
Full time salaries	176,940	173,329	185,000	(11,671)
Overtime	2,720	1,514	2,000	(486)
Telephone services	2,509	2,182	2,750	(568)
Training, travel, dues	350	1,185	1,000	185
Advertising	0	634	0	634
Lease Payments	0	52,167	50,000	2,167
Utilities	8,456	8,130	8,500	(370)
Other contractual	6,139	6,828	6,500	328
General office supplies	191	185	900	(715)
Postage	0	67	0	67
Operational supplies	7,888	9,820	10,000	(180)
Vehicle maintenance	489	269	1,500	(1,231)
Equipment maintenance	5,913	12,318	8,000	4,318
Building maintenance	113	1,803	2,500	(697)
Construction materials	6,174	5,389	4,000	1,389
Motor fuel and lubricants	4,960	7,557	12,000	(4,443)
Uniforms	677	486	1,200	(714)
Computer equipment and software	374	24	250	(226)
Equipment, building and grounds	0	34	0	34
Distribution lines	40,000	41,200	40,000	1,200
Total distribution	263,893	325,121	336,100	(10,979)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Expenditures - continued				
Operating transfers	\$ <u>176,500</u>	\$ <u>183,000</u>	\$ <u>183,000</u>	\$ <u>0</u>
Appropriated reserve	<u>0</u>	<u>0</u>	<u>266,996</u>	<u>(266,996)</u>
Total expenditures and transfers subject to budget	<u>735,615</u>	<u>821,657</u>	\$ <u>1,119,896</u>	\$ <u>(298,239)</u>
Receipts over (under) expenditures	100,577	(66,757)		
Unencumbered cash, January 1	<u>249,441</u>	<u>350,018</u>		
Unencumbered cash, December 31	\$ <u><u>350,018</u></u>	\$ <u><u>283,261</u></u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
SEWER LINE REPLACEMENT - 11
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance</u>
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
Cash receipts	Actual			(Under)
Use of money and property				
Interest on investments	\$ 666	\$ 1,097	\$ 600	\$ 497
Operating transfers	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total cash receipts	<u>7,666</u>	<u>8,097</u>	<u>\$ 7,600</u>	<u>\$ 497</u>
Expenditures				
Equipment/plant	<u>0</u>	<u>0</u>	<u>\$ 190,857</u>	<u>\$ (190,857)</u>
Receipts over (under) expenditures	7,666	8,097		
Unencumbered cash, January 1	<u>175,657</u>	<u>183,323</u>		
Unencumbered cash, December 31	\$ <u>183,323</u>	\$ <u>191,420</u>		

See Independent Auditor's Report.

BUSINESS FUNDS
WASTEWATER TREATMENT PLANT - 16
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Charges for services				
Connect & disconnect	\$ 42,000	\$ 57,750	\$ 10,000	\$ 47,750
Sewer service charge	431,446	437,348	460,000	(22,652)
Total charges for services	473,446	495,098	470,000	25,098
Use of money and property				
Interest income	1,482	1,970	2,000	(30)
Total cash receipts	474,928	497,068	\$ 472,000	\$ 25,068
Expenditures				
Full time salaries	93,049	106,413	\$ 95,000	\$ 11,413
Overtime	3,999	3,787	1,000	2,787
Other contractual	0	0	15,000	(15,000)
Motor Fuel & Lube	0	0	2,000	(2,000)
Operational supplies	2,710	892	6,000	(5,108)
Miscellaneous	10,000	3,389	10,000	(6,611)
Equipment/plant	14,086	11,903	20,000	(8,097)
Total expenditures	123,844	126,384	149,000	(22,616)
Operating transfer	451,257	451,057	451,058	(1)
Appropriated reserve	0	0	179,822	(179,822)
Total expenditures and transfers subject to budget	575,101	577,441	\$ 779,880	\$ (202,439)
Receipts over (under) expenditures	(100,173)	(80,373)		
Unencumbered cash, January 1	432,137	331,964		
Unencumbered cash, December 31	\$ 331,964	\$ 251,591		

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
HEALTH AND SANITATION FUND - 13
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Charges for services				
Haulers' permits	\$ 600	\$ 750	\$ 2,500	\$ (1,750)
Landfill charges and collections	351,737	355,979	370,000	(14,021)
Total charges for services	352,337	356,729	372,500	(15,771)
Use of money and property				
KS setoff reimbursement	172	149	300	(151)
Interest on investments	151	246	100	146
Total use of money & property	323	395	400	(5)
Fees	375	405	200	205
Total cash receipts	353,035	357,529	\$ 373,100	\$ (15,420)
Expenditures				
Full time salaries	11,682	12,220	\$ 16,500	\$ (4,280)
Overtime	37	30	0	30
Advertising	550	719	750	(31)
Insurance	1,091	1,221	1,200	21
Other contractual	328,824	339,310	340,000	(690)
General office supplies	689	335	500	(165)
Pay Stickers	0	338	0	338
Total expenditures	342,873	354,173	358,950	(4,777)
Operating transfers	9,000	10,000	10,000	0
Appropriated reserve	0	0	37,639	(37,639)
Total expenditures and transfers subject to budget	351,873	364,173	\$ 406,589	\$ (42,416)
Receipts over (under) expenditures	1,162	(6,644)		
Unencumbered cash, January 1	35,125	36,287		
Unencumbered cash, December 31	\$ 36,287	\$ 29,643		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Police bond	\$ 14,633	\$ 31,857	\$ 34,804	\$ 11,686
Payroll withholding	<u>15,582</u>	<u>313,214</u>	<u>322,124</u>	<u>6,672</u>
	<u>\$ 30,215</u>	<u>\$ 345,071</u>	<u>\$ 356,928</u>	<u>\$ 18,358</u>

See Independent Auditor's Report.